



March 30, 2006

TO: Transportation Authority of Marin Commissioners

FROM: Dianne Steinhauser, Executive Director

RE: Resolution to Reimburse Expenditures Relating to the Highway 101 Gap Closure Project from the Proceeds of Tax Exempt Obligations of the Authority – Agenda Item 9

Dear Commissioners:

Executive Summary

TAM anticipates issuing some form of debt for purposes of funding the delivery of the Highway 101 Gap Closure project in FY 2006-07. Until such time as debt is issued, a resolution providing for the reimbursement of project expenditures with debt financing proceeds is needed to ensure that current expenditures on the project are eligible for the debt financing vehicle to cover. This way, Measure A cash is available for other Measure A projects and programs.

Recommendation: Staff recommends that TAM adopt the attached Resolution to reimburse expenditures relating to the Highway 101 Gap Closure Project from the proceeds of tax exempt obligations of the Authority.

As provided for in the Measure A Sales Tax Expenditure Plan, TAM anticipates issuing some form of debt for purposes of accelerating the delivery of the Highway 101 Gap Closure project in FY 2006-07. Expenditures for design and management activities on the project have begun. Specifically, project management and design of the bike/ped path and soundwall for Segment 4 of the project, and construction oversight for Segments 3 are underway. These expenditures may be reimbursed from debt proceeds when debt is issued, thus reducing the project's reliance on Measure A cash and helping meet TAM's cash flow obligations to other projects.

Under federal income tax regulations, the proceeds of debt financing may be used to reimburse advances made by the Authority for the Project before the date of issuance of the debt vehicle, but not more than sixty (60) days before the date of adoption of a resolution declaring the Authority Board's intention to reimburse such advances from the proceeds of the debt vehicle.

Recommendation:

Staff recommends that TAM adopt the attached Resolution to reimburse expenditures relating to the Highway 101 Gap Closure Project from the proceeds of tax exempt obligations of the Authority.

RESOLUTION NO. 2006-04

RESOLUTION OF THE TRANSPORTATION AUTHORITY OF MARIN DECLARING INTENTION TO REIMBURSE EXPENDITURES RELATING TO THE HIGHWAY 101 GAP CLOSURE PROJECT FROM THE PROCEEDS OF TAX-EXEMPT OBLIGATIONS OF THE AUTHORITY

WHEREAS, the Board of the Transportation Authority of Marin (the "Authority") is proceeding to complete the Highway 101 Carpool Lane Gap Closure Project through San Rafael (the "Project"); and

WHEREAS, in order to provide funds to finance the Project, the Board intends to use tax-exempt obligations in the aggregate principal amount of approximately \$25,000,000, which are payable from Measure A Sales Tax revenue; and

WHEREAS, in order to use the proceeds of tax-exempt obligations to reimburse advances made by the Authority for the Project before the date of issuance of the tax-exempt obligations, but not more than sixty (60) days before the date of adoption of this Resolution, Section 1.150-2 of the United States Income Tax Regulations requires that the Authority declare its intention to reimburse such advances from the proceeds of the tax-exempt obligations; and

WHEREAS, it is in the public interest and for the public benefit that the Authority declare its official intent to reimburse the expenditures referenced herein;

NOW, THEREFORE, BE IT RESOLVED by the Board of the Transportation Authority of Marin as follows:

Section 1. Declaration of Intent. The Board hereby declares that it reasonably expects to use tax-exempt obligations, and to use a portion of the proceeds thereof to reimburse expenditures made by the Authority for the Project before the date of issuance of the tax-exempt obligations, including those expenditures made not more than 60 days before the date of adoption of this Resolution. The tax-exempt obligations shall be issued in an aggregate principal amount which is sufficient to raise funds for the Project, in the approximate amount of \$25,000,000.

Section 2. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED and ADOPTED at a regular meeting of the Transportation Authority of Marin, on this 30th day of March, 2006, by the following vote to-wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

STEVE KINSEY,
CHAIR, TRANSPORTATION
AUTHORITY OF MARIN

ATTEST:

Dianne Steinhauser
Executive Director